



DEPARTMENT OF STATE

Washington, D.C. 20520

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Attention MRS MULLETT
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November 27, 1971

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MEMORANDUM FOR MR. HENRY A. KISSINGER
 THE WHITE HOUSE

Subject: The Uruguayan Elections

I am attaching a copy of an internal
 Department memorandum on the Uruguayan
 election scheduled for November 28, which
 may be of interest to you.

Theodore L. Eliot, Jr.
 Theodore L. Eliot, Jr.
 Executive Secretary

Attachment:

Elections Memorandum.

SECRET/LIMDIS

Drafted: S/S:PWBorg:dg 11/27/71
 Clearance: ARA/APU:DCox
 INR - Mr. Cline

Elections Memo drafted by INR:RCJorgenson

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 11/27/71
 J. C. Cline



DEPARTMENT OF STATE
INFORMATION MEMORANDUM

S/S

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SECRET/LIMDIS

The Uruguayan Elections

Nine presidential candidates from three major parties are contesting the November 28 election. The two traditional parties, President Pacheco's incumbent Colorados and the Blanco Party, are being challenged by the Frente Amplio (Broad Front), a coalition of Marxists and dissidents from the traditional parties. The voters will also elect municipal officials and a new Congress. All evidence points to the defeat of the Frente presidential ticket. However, regardless of which of the traditional middle-of-the-road parties wins, it is likely that the two decade-old economic and social decay will continue to plague Uruguayan politics and create concern among Uruguay's powerful neighbors.

The candidates. Pacheco is running for reelection, but the almost certain defeat of a constitutional amendment to allow him to serve a second term rules him out of serious contention. He has designated 43 year old Juan Bordaberry, the Minister of Agriculture, as his "alternate" candidate. The third Colorado candidate is Jorge Batlle. Of the two Blanco candidates, Senator Wilson Ferreira appears to have the best chance of upsetting the Colorados' hold on the presidency. The Frente's candidate, retired General Liber Seregni, is a moderate leftist who has avoided taking ultra-radical positions or appearing to be controlled by the Communist Party, the Frente's major component.

The electoral system. The electoral system favors the two traditional parties by allowing all factions of a party to run candidates. The effect is to combine primary and general elections in one ballot. The most voted candidate of the most voted party is the winner. Thus all votes for the five Colorado candidates accrue to the one that leads in that party's voting.

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The Issues

Over the years the ideological differences between the two major parties have been blurred; consequently, personalities are a major consideration to the voters. This year the issues have centered around "law and order" and the economy. "Pacheco or Chaos" has been the President's campaign slogan, even though he has suffered some serious setbacks in quelling the disruptive activities of the Tupamaros, Latin America's most active and successful urban terrorists. The Colorados have also concentrated on the Communist and Tupamaros ties of the Frente.

The most important underlying opposition issue is the widespread sense of malaise and lack of national direction. There is a growing disaffection, especially on the part of middle class youth, caused by lack of opportunity. The Tupamaros phenomenon is itself largely a middle class revolution against a system which is seen to offer no hope for meaningful participation. The Blancos, the Frente and Batlle have attacked Pacheco's management of the economy. But the economy is an elusive issue because none of the parties, including the Frente, has been willing to specify actions it would take to correct structural deficiencies, actions which would necessarily call for austerity. The Frente has sought to exploit frustration with the ineffectiveness of the traditional parties and more recently has alleged CIA and Brazilian involvement in right-wing terrorism against the party and its candidate. However, the low level of US investment (some \$90 million) defuses the universally popular campaign issue of foreign exploitation.

Election prospects. The Colorado's Bordaberry is the front runner in a close three party race but Jorge Batlle, also of the Colorados, and the Blancos' Wilson Ferreira have good victory prospects. Embassy estimates and various political polls seem to indicate that the Frente candidate has peaked at about 25 percent of the total expected vote (see attached chart on polls). In past elections Gallup polls have been fairly accurate in measuring voter preferences. However, a major element of uncertainty arises from the large number of voters - about 25 percent - who refuse to indicate preferences or who remain undecided.

The Frente candidate, however, appears to have close to an even chance of winning the mayoralty contest in Montevideo. While his power would be closely controlled by the national government, such a victory would give the Frente a chance to continue as a viable political organization.

The Colorados and Blancos should continue their control of the bicameral Congress.

The New Government

The new administration, which takes office on March 1, 1972, will be saddled with heavy financial obligations and the adverse effects of the short-term, politically motivated economic policies of the past year. There is also a likelihood of increased terrorism by the Tupamaros. In addition to overcoming the immediate difficulties it faces, it will also have to address itself to the underlying psychological climate of long-term economic stagnation. There is little evidence to suggest that any of the candidates could bring about a quick improvement. According to an Embassy assessment, fairly sizeable multilateral assistance through loans to Uruguay has had, with few exceptions, little or no effect on creating better policies or building better institutions. The Embassy also noted that multilateral assistance efforts have done "little to change the disregard for efficiency and good administration, the neglect of careful planning of projects and policies, and the dominance of short-run political considerations characteristic of the GOU for over a decade". In short, the prospect for the future is most likely a continued floundering and stagnation accompanied by an increasing appeal to disaffected youth to violent revolution.

US Interests in Uruguay

Concerned over the possibility of a Frente victory, both Argentina and Brazil have been weighing the advantages and disadvantages of some form of intervention in Uruguayan affairs. Uruguay has served as a traditional buffer between Argentina and Brazil, a buffer in which the actions of either power induces grave suspicions in the other. Neither country could ignore a breakdown in Uruguayan political/economic life nor the unilateral action of the other. Thus the major danger for US interests in the area may well be not the outcome of the Uruguayan election, but rather the latent danger that continued social/economic deterioration may have for the course of relations between these two major Latin American powers.

Attachment:

Polls

Gallup Projection - Percentage of Vote

	<u>Colorados</u>	<u>Blanco</u>	<u>Frente Amplio</u>	<u>Other</u>
Montevideo	39.3	26.0	33.2	1.5
Interior	41.3	40.0	17.1	1.6
Total	<u>40.5</u>	<u>34.0</u>	<u>24.0</u>	

Uruguayan Institute of Applied Social Science Projection

(percentages)

Montevideo	40.0	25.7	34.3	
Interior	43.5	45.5	12.0	
Total	<u>42.8</u>	<u>36.2</u>	<u>21.0</u>	